



THE WARTIME PRICES AND TRADE BOARD

QUARTERLY SUMMARY

January 1 to March 31
1940



Birks Building Ottawa March 31 1940 THE WARTING PRICES AND TRADE SCARD

GENERAL

In the last four months of 1939, the problems faced by the Board were chiefly those which inevitably arise in a rapid change from a peacetime to a wartime economy. Prompt action was required to prevent unwarranted price increases, and to meet the problem of the shortage which had developed in the supply of certain specific commodities.

As opposed to the closing months of 1939, during the first quarter of the current year there was no acute shortage of any necessary of life in Canada. Thus there was both less temptation and less opportunity to take advantage of the consumer, and the Board had to make less use of its regulatory and preventive powers.

In order to extend the scope of its investigations, in March the Board enlarged its staff of technical advisers by the appointment of Professor James M. MacDonald, head of the Department of Commerce of the University of Manitoba, who will be responsible for the statistical analysis of price and supply problems.

Much of the day to day work of the Board continues to be carried out through the facilities afforded by other government departments. The collection and most of the compilation of statistics required by the Board, touching almost every aspect and facet of Canadian trade and commerce, continue to be handled adequately and expeditiously by the Dominion Bureau of Statistics. The coast-to-coast inspection service of the Weights and Measures Branch provides the Board with a constant check on retail prices, and also aids in curbing undue price advances. The Royal Canadian Mounted Police are used, when required, for enforcement proceedings. The services of certain branches of provincial governments have been made available to the Board.

The Board continues to operate in close cooperation with the Agricultural Supplies Board, the Foreign Exchange Control Board, the Canadian Shipping Board, and the War Supply Board.

ENFORCEMENT

The elimination of the fear of shortage of various commodities which obtained at the outset of the war, coupled with the relative stability in prices of the necessaries of life which later manifested itself, reduced materially the number of complaints received by the Board in the first quarter of 1940 as compared with the initial months of its operations.

Services of the services of th Each complaint received the attention of the Board and was investigated. In some instances, the allegations necessitated personal investigation by the inspectors of the Weights and Measures Branch; in others, the services of the Royal Canadian Mounted Police were employed.

As a result of these and other investigations, irregularities in merchandising practice were immediately corrected. During the quarter, the investigations of the Board disclosed no instances of hoarding or profiteering which warranted prosecution.

WOOL

The continuous efforts of the Board during the fall of 1939 to secure the release and shipment to Canada of wools for manufacturing purposes culminated in January of this year, when an agreement was reached with the Wool Control of the United Kingdom providing an assurance of:

Abundant supplies of merinos for 1940.

Adequate supplies of crossbreds for all Canadian military requirements up to September 10 next.

A substantial proportion of the estimated requirements of crossbred wool for civilian purposes up to September 10 next.

While there appears to be no probability of any scarcity of wool in Canada, nevertheless all crossbred grades will have to be used with economy. It will continue to be necessary to substitute, to some degree, finer and re-worked wools for these grades.

While the wool requirements of carpetmakers are not large in comparison with those of
the weaving and knitting trades, the maintenance
of the supply also involved negotiations with the
British Wool Control. East Indian wool, which is
largely used for this purpose, is subject to the
jurisdiction of the Wool Control. In February,
the Wool Administrator obtained the release of a
quantity of carpet wools sufficient for existing
needs and for some months to come.

Towards the end of 1939, upon the recommendation of the Board, consent was obtained from South Africa, under the treaty with that country, for the temporary removal from January 1 of duties on crossbred wool from countries entitled to the intermediate tariff.

This arrangement was terminated on February 20, when adequate supplies to supplement the 1940 Canadian clip had been guaranteed by the British Wool Control. The free entry privilege was limited to wool and tops purchased before February 20 and imported before the end of April.

The November order of the Board fixing a maximum price for quarter-blood wools was rescinded in January after it had served its purpose. This order was successful in moving the remainder of the pre-war stocks of wool into consumption and enforcing its sale on the price basis which had already been voluntarily agreed upon by the great majority of Canadian dealers and manufacturers.

During the first quarter of the year both the Board and the Wool Administrator continued to maintain constant contact with the Canadian wool growers, dealers, and manufacturers. Conferences were also held with the War Supply Board respecting present and future military needs.

At the beginning of March, the Board began a preliminary investigation of the price spreads and mark-ups in the manufacture of woollen and worsted cloths.

SUGAR

Towards the end of December, rumours regarding a possible price increase created, especially in certain centres, an excessive demand for sugar. The buying flurry continued during the greater part of January. The situation was adequately handled by the refiners who, with the full approval of the Sugar Administrator, in many instances limited sales to industrial users and to distributors to the volume which had obtained in January, 1939.

During the first quarter of 1940, adequate shipping facilities have been made available and there was no interruption in the movement of raw sugar to Canada.

There has been no change in the price which the Sugar Administrator pays for raw sugar, nor has there been any change in the wholesale price of refined sugar in Canada. The state of the s

In March the Administrator, acting in conjunction with the British Sugar Control, facilitated the conclusion of a most-favoured-nation agreement with the Republic of San Domingo whereby, in return for purchases of raw sugar, Canada secured important tariff concessions in that country for various products, including fish and potatoes.

HIDES AND LEATHER

During the first quarter of the year, domestic production and imports of hides have been sufficient to enable tanners to meet without difficulty all civilian and military demands. Price movements in raw stock and finished leather products are under the constant scrutiny of the Administrator.

Through the monthly census of the industry, initiated in the last quarter of 1939, the Hides and Leather Administrator is now receiving regular returns from packers, dealers, and tanners covering the production of leather, hides, and skins in the Dominion. The collection and compilation of the data is carried out by the Dominion Bureau of Statistics which has commenced the publication of a monthly report on the total supply of stocks of raw hides and skins.

During the quarter, the Administrator and his technical advisers visited representative tanneries.

The Administrator continues to act in cooperation with the Leather Controller of the United Kingdom. Arrangements were completed during the quarter for the co-ordination of Canadian and United Kingdom purchases of hides in foreign countries.

Conferences were also held by the Board and the Administrator with the newly-appointed High Commissioner for New Zealand, before his departure abroad, regarding the future supply of calfskins from that country.

COAL

The satisfactory coal situation of 1939 continued during the first quarter of 1940. During the past three months the Board and the Coal Administrator have continued their negotiations

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with the Canadian Shipping Board with a view to securing the movement of a maximum tonnage of Maritime coal into Ontario and Quebec during the coming navigation season.

In March, in order to render more complete and effective the licencing plan put into effect in November 1939, the Board issued Order No. 4 prohibiting sales of coal or coke for further resale except to holders of licences issued by the Board.

The coal licensing plan has been operating satisfactorily since its inception, and had received the support of the trade. More than 5,000 licences were issued for the period ending March 31, 1940. Licences for the 1940-41 fiscal year have been issued.

During the quarter, the Coal Administrator held conference with representatives of the United States Coal mining industry, and also visited the larger producers in Western Canada.

ANIMAL FEEDS

During the last four months of 1939, the Board, in conjunction with the Agricultural Supplies Board and its experts, conducted investigations into the supply and price of animal feeds, including mill feeds. In February the Board appointed a Committee on Animal Feeds to continue these investigations and to keep the Board constantly informed regarding the situation throughout the Dominion. The committee is composed of the following members:

- F. W. Walsh, Halifax, Chairman,
 Director of Marketing,
 the Nova Scotia Department
 of Agriculture.
- C. B. Davidson, Winnipeg,
 Economist, formerly
 Statistician to the Wheat Board.
- W. R. White, Ottawa,
 Feedstuffs Branch, the
 Dominion Department of
 Agriculture.

On February 29, the Board and the Committee held a conference with the Canadian milling industry respecting the supply and price of mill feeds. On March 15, the committee received a deputation from the National Dairy Council of Canada.

The members of the Committee on Animal Feeds are continuously in touch with, and studying the Canadian feedstuffs situation. The committee will continue to meet frequently in Ottawa.

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